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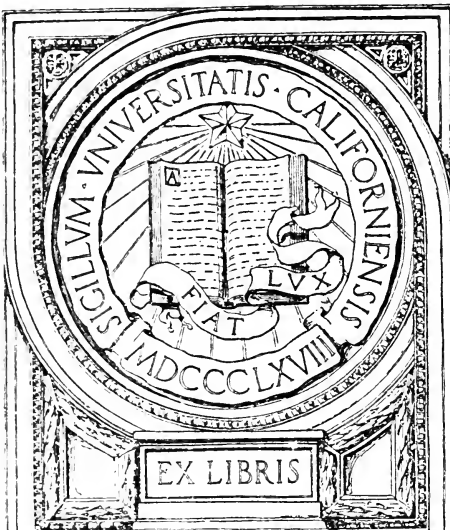


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CIRCULAR No. 26A

Public Service Commission

OF MARYLAND

Regulations Governing the Appraisal, Distribution and Apportionment of Fixed Capital of Electrical Corporations

ISSUED BY ORDER OF THE COMMISSION

June 12, 1911

BALTIMORE
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REGULATIONS ISSUED BY THE PUBLIC SERVICE
COMMISSION OF MARYLAND GOVERNING THE
APPRAISAL, DISTRIBUTION AND APPORTION-
MENT OF FIXED CAPITAL OF ELECTRICAL COR-
PORATIONS.

Issued under order of the Commission of June 12, 1911.

Every Electrical Corporation shall make a distribution of its Fixed Capital, as of June 30, 1911, and apportion the same according to the following classification hereby prescribed for expenditures for Plant, Equipment and other property of Electrical Corporations, and shall make report to the Public Service Commission of such distribution of its Fixed Capital not later than September 30, 1911.

FIXED CAPITAL JUNE 30, 1911.

Charge to this account all the Fixed Capital (that is, the total cost of all land, plant, equipment, apparatus, etc., other than materials and supplies, hand, and other small tools) of the accounting person or corporation as such capital stood at the close of June 30, 1911. Such charges shall be made at the figures at which such capital was carried on the books of the said person or corporation on that date. When any capital included in such account is retired from service, the amount at which it is charged therein shall be credited to this account; and the amount originally charged to capital, less any salvage that may occur, shall be concurrently charged to the account "Reserve for Accrued Depreciation" (or equivalent account carried on the books on June 30, 1911) unless there was carried on the books at that date a reserve to cover retirements of capital from service, in which case the said concurrent charge shall be made to such retirement account. If the amount at which said capital in service on June 30, 1911 (and subsequently retired from service) was included in the said account is not disclosed on the books and records of the accounting person or corporation and is not within the knowledge of such person or corporation

or officers or other employes thereof, it shall be estimated and such estimated amount shall be treated as is above directed for the actual amount, the fact of estimation being stated in the entry.

THE FOLLOWING CAPITAL ACCOUNTS ARE PRESCRIBED FOR
TRANSACTIONS SUBSEQUENT TO JUNE 30, 1911:

ORGANIZATION.

Charge to this account all fees paid to governments for the privilege of incorporation, and all office and other expenditure incident to organizing the corporation or other enterprise and putting it in readiness to do business. This includes cost of preparing and distributing prospectuses, cost of soliciting subscriptions for stock (but not for loans nor for the purchase of bonds or other evidence of indebtedness), cash fees paid to promoters, and the actual cash value at the time of organization of securities paid to promoters for their services in organizing the enterprise, counsel fees, cost of preparing and issuing certificates of stock, and cost of procuring certificates of necessity from state authorities, and other like costs. Like costs incident to preparing and filing certificates of authorization of increase of capital stock, and to the negotiation and issue of stock thereunder, shall be classed as additions. Cost of preparing and filing certificates of amendment of articles of incorporation shall be classed as a betterment. This account shall not include any discounts upon stocks or other securities issued, nor shall it include any costs incident to negotiating loans or selling bonds or other evidence of indebtedness.

ROYALTIES, FRANCHISES AND LICENSES.

Charge to this account the cost of royalties or licenses paid to licensors, and payments to city, town or state (exclusive of taxes) for franchises. If any such franchise has a life of *not more than one year after the date when it is placed in service*,

it shall not be charged to this account, but to the appropriate account in "Operating Expenses," and in "Prepayments" if extending beyond the fiscal year.

LAND.

Charge to this account the cost of all land used in the operations of the corporation, including rights of way for transmission and distribution lines and for canal and pipe lines, water rights, rights of pondage, flowage and submersion. Such cost includes cost of registration of title, cost of examination of title, conveyancer's and notary's fees, purchasing agent's commissions or fees, or purchasing agent's salary, taxes accrued to date of transfer of title and all liens upon the title accrued to date of transfer of title and all liens upon the title acquired; also costs of obtaining consents and payments for abutting damages. This account should also include the cost of wrecking or removing any buildings thereon, less the salvage, to prepare the land for the corporation's purposes.

This account may, if the accounting corporation desires, be further classified under the following headings, which shall be the titles of sub-accounts set up hereunder:

- Land, Steam Generating Plant.
- Land, Hydraulic Generating Plant.
- Land, Gas Generating Plant.
- Land, Transmission Plant.
- Land, General Office.
- Land, Stable.
- Land, other Equipment.

NOTE.—Cost of buildings and other improvements must not be included in this account.

STRUCTURES.

Charge to this account the cost of the power plant, sub-station, and all other buildings, also of all fixtures permanently attached

thereto and made a part thereof, such as water pipes and fixtures, steam pipes and fixtures for lighting, warming and ventilating, gas pipes and fixtures for lighting, electric wiring and fixtures for lighting, signaling, and the like, elevators and the motive power for operating same, and heating apparatus. This account also includes stacks and such piers and other foundations for machinery and apparatus as are designated to be as permanent as the buildings in which they are constructed and to outlast the first machinery or apparatus mounted thereon. Charge also the cost of architect's plans and of superintendence of construction.

This account may, if the accounting corporation desires, be further classified under the following headings, which shall be the titles of sub-accounts set up hereunder:

Structures, Steam Generating Plant.

Structures, Hydraulic Generating Plant.

Structures, Gas Generating Plant.

Structures, Transmission Plant.

Structures, General Office.

Structures, Stable.

Structures, other Equipment.

Generating Plant, Steam.

BOILER PLANT.

Charge to this account the cost of all furnaces, boilers and boiler apparatus and accessories devoted to the production of steam for use in generating electric energy. Include also the cost of flues leading to smokestacks and chimneys, and the steam pipes for conducting steam from the boiler to the prime mover.

Include also the cost of mechanical stokers and other like apparatus for regulating the supply of fuel, etc.; feed and hot water heaters, injectors, feed pumps, blower engines, coal conveyers, water pipes, steam traps, drains, and separators and

pipes for conducting steam from the boilers to the engines or the gas producers, exhaust pipes, etc.

PRIME MOVERS.

Charge to this account the cost of all steam engines, whether reciprocating or rotary. The engine includes the throttle or inlet valve and the governor, also condensers, air and circulating pumps and lubricating systems. Where the electric rotor is mounted on the engine shaft the shaft is a part of the steam engine and the electric rotor a part of the electric equipment.

ELECTRICAL PLANT.

Charge to this account the cost of all electric generating apparatus driven by engines operated by steam, water or gas, including especially provided foundations and settings of such apparatus; also the cost of the accessory equipment, including conductors, switchboards, instruments and apparatus connected therewith.

This account may, if the accounting corporation desires, be further classified under the following headings, which shall be the titles of sub-accounts set up hereunder:

Electrical Plant, Steam Generating Plant.

Electrical Plant, Hydraulic Generating Plant.

Electrical Plant, Gas Generating Plant.

MISCELLANEOUS GENERATING PLANT EQUIPMENT.

Charge to this account the cost of all equipment not includible in any of the foregoing accounts, including belting, pulleys, hangers, countershafts, pumps, cranes, hoists, tools and the like.

This account may, if the accounting corporation desires, be further classified under the following headings, which shall be the titles of sub-accounts set up hereunder:

Miscellaneous Generating Plant, Equipment, Steam.
 Miscellaneous Generating Plant, Equipment, Hydraulic.
 Miscellaneous Generating Plant, Equipment, Gas.

Generating Plant, Hydraulic.

DAMS, CANALS AND PIPE LINES.

Charge to this account the cost of all dams, canals, aqueducts and pipe lines; also that of all wasteways from the outlet of the draft tube to the point of final discharge. Include also the cost of all viaducts, bridges, and the like, over and accessory to or necessitated by such canals, aqueducts and pipe lines.

TURBINES AND WATER WHEELS.

Charge to this account the cost of all turbines, water-wheels and governors, and all other appurtenant apparatus attached thereto from and inclusive of the head gates and governors to the wasteway. If foundations and settings are especially provided, the cost thereof should be included in this account. Where the electric rotor is mounted on the shaft of the hydraulic engine, the shaft should be considered a part of the hydraulic engine and the electric rotor thereon a part of the electric equipment.

Generating Plant, Gas.

GAS PRODUCERS AND ACCESSORIES.

Charge to this account the cost of producers and accessories devoted to the production of gas for the purpose of operating electric generators, including the cost of specially provided foundations and settings for such producers and accessories. This account includes producers, economizers, regenerators, vaporizers, steam injectors, scrubbers, exhauster outfits, seals, spe-

cially provided boilers and pumps, flues and piping, blower engines, pipes for the conduction of gas from such producers to holders and to gas engines, holders for producer gas, exhaust pipes from gas engines, etc. It does not include pipe whose primary purpose is the warming of buildings; nor does it include power transmission apparatus, or water pipes, steam pipes, water pumps, or inspirators.

GAS ENGINES.

Charge to this account the cost of all gas engines devoted to the production of electric energy, including the specially provided foundations and settings of such engines. The engine includes the inlet valve, governor, and ignition and starting apparatus, but not the pipe leading from the gas holder, nor the exhaust pipe. Where the electric rotor is mounted on the engine shaft, the shaft shall be considered a part of the engine and the electric rotor thereon shall be considered a part of the electric equipment.

UNDERGROUND CONDUITS.

Charge to this account the cost of conduits required for underground wires and cables, including manholes, ducts and pipe, sewer connections, sewer traps, and all material necessary for the completion of the underground conduit system devoted to the protection of the transmission and distribution systems.

POLES AND FIXTURES.

Charge to this account the cost of towers, structures, poles, cross-arms and insulator pins, braces, brackets and other pole fixtures, guys and other supports for holding same in position, and all labor expended in connection with the construction of pole lines or structures for carrying the transmission and distribution systems.

Transmission.

CONDUCTORS—OVERHEAD.

Charge to this account the cost of cables and wires installed and connected, used as trunk lines for the purpose of conveying electric current from the generating to the sub-station.

CONDUCTORS—UNDERGROUND.

Charge to this account the cost of cables and wires installed and connected, used as trunk lines for the purpose of conveying electric current from generating to the sub-stations.

SUB-STATION EQUIPMENT.

Charge to this account the cost of all equipment of sub-stations. Such equipment includes not only electric machinery and apparatus, but all furniture and equipment, such as furnaces, boilers, stoves, elevators, etc., permanently assigned to such stations, but not affixed to the structures thereof. It does not include storage batteries, laboratory instruments and apparatus not permanently assigned thereto, nor does it include tools only temporarily assigned to such stations.

STORAGE BATTERY EQUIPMENT.

Charge to this account the cost of the battery elements and all accessory apparatus connected therewith, including tanks, battery-room flooring if especially constructed, rigging, apparatus, boosters, compensators and the like.

Distribution.

OVERHEAD CONDUCTORS AND DEVICES.

Charge to this account the cost of all mains and feeders in place on pole line.

UNDERGROUND CONDUCTORS.

Charge to this account the cost of all distribution mains and feeders as drawn in and connected in the conduits.

SERVICES.

Charge to this account the cost of all conductors, ducts, main cut-outs, switches, and the like, connecting the distribution mains with the electric apparatus and appliances in the possession of consumers.

METERS.

Charge to this account the cost of meters when purchased, including all transportation charges.

LINE TRANSFORMERS.

Charge to this account the cost of line transformers when purchased, including all transportation charges in connection therewith.

ARC LAMPS AND GLOWER LAMPS.

Charge to this account the cost of all arc lamps when purchased, and of all glower lamps if it is the policy of the company to capitalize the cost of the latter, including all transportation charges in connection therewith.

CUSTOMERS' INSTALLATION.

Charge to this account the cost of the first setting of meters and line transformers; also the cost of connecting arc lamps, glower lamps and incandescent lamps, provided it is the policy of the corporation to capitalize such costs; otherwise the cost should be charged to the operating account "Setting and Removing Meters and Transformers."

MUNICIPAL STREET-LIGHTING SYSTEM.

Charge to this account the cost of lamp-posts in place, outfits and suspensions especially provided for the street-lighting system. Such cost includes the cost of restoring the surface of the street as required by the municipal authorities. This account should not include the cost of the arc lamp, which is especially provided for elsewhere. If the series alternating or direct system is used for street-lighting, this cost should include the cost of the circuits, the intention being to include all things especially devoted to the municipal service.

FURNITURE AND FIXTURES.

Charge to this account the cost of all equipment in offices, such as desks, chairs, tables, safes, filing cases, drafting-room equipment, typewriters, mechanical office devices, floor coverings, and the like.

Other Equipment.

SHOP EQUIPMENT.

Charge to this account the cost of all equipment especially provided for shops, including machine tools, cranes, hoists, shafting, belts, smithing equipment and the power apparatus necessary to operate the same.

STOREROOM EQUIPMENT.

Charge to this account the cost of all equipment in store-rooms, such as counters, shelving, carts, barrels, trucks and other apparatus and appliances used in the handling of materials and supplies.

STABLE EQUIPMENT.

Charge to this account the cost of all equipment of general stables, including horses, harness, drays, wagons, automobiles and other vehicles.

MISCELLANEOUS EQUIPMENT.

Charge to this account the cost of equipment described under the following headings, which may be the titles of sub-accounts, if desired:

(a) Coal Storage Equipment.

The cost of all machinery and apparatus used for storing and piling up coal and the delivery thereof to boats or coal carts and the like.

(b) Laboratory Equipment.

The cost of all testing apparatus and laboratory equipment not elsewhere provided for. This account should not include such instruments as are permanently assigned to generating stations, sub-stations and the like.

(c) Tools and Instruments.

The cost of all tools and instruments not elsewhere provided for.

MISCELLANEOUS CONSTRUCTION EXPENSES.

Charge to this account all expenditures during construction. This account may, if the accounting corporation desires, be further classified under the following headings, which shall be the titles of sub-accounts set up hereunder:

(a) *Engineering and Superintendence—"Construction."*

Charge to this account all expenditures for services of engineers, draftsmen and superintendents employed on preliminary and construction work, and all expenses incident to the work, when such disbursements cannot be assigned to specific construction.

(b) *Law Expenditures—"Construction."*

Charge to this account all expenditures incurred in connection with the construction of an electric plant, such as the pay and expense of all counsel, solicitors and attorneys, their clerks and attendants, and expenses of their offices, printing of briefs, legal forms, testimony, reports, and the like; payments to arbitrators for the settlement of disputed questions, costs of suit and payments of special fees, notarial fees and witness fees, and expense connected with taking depositions; also all legal and court expenses. When any of the expenditures above enumerated can be charged directly to the account for which incurred, they should be so charged, and not to this account. Expenditures in connection with the acquisition of the right of way or other land should be charged to Land. Law expenditures in connection with the organization of the corporation should be charged to Organization.

(c) *Taxes—"Construction."*

Charge to this account all taxes and assessments levied and paid on property belonging to the corporation while under construction and before the plant is opened for commercial operation.

(d) *Interest—"Construction."*

Charge to this account the interest accrued upon all moneys and credits available upon demand, acquired for use in connection with the construction and equipment of the property, from

the time of such acquisition until the construction is ready for use. Interest receivable accrued upon such moneys and credits should be credited to this account. To this account should also be credited discounts realized through prompt payment of bills incurred for the particular construction involved.

(e) *Injuries—"Construction."*

Charge to this account all expenditures incident to injuries to persons when caused directly in connection with construction of the plant or equipment, including payments to physicians and surgeons, nursing and hospital attendance, medical and surgical supplies, transportation for conveying injured persons and attendants, funeral expenses and all like costs incident thereto.

(f) *General Construction Expenses.*

Charge to this account the salaries and expense of executive and general officers of the plant under construction, clerks in general offices engaged on construction accounts or work, rent and repair of offices when rented for construction purposes with the office expenses, insurance during construction; also all construction and equipment items of a special and incidental nature that cannot be charged to any other account in this classification.

OTHER TANGIBLE ELECTRIC CAPITAL.

Charge to this account the cost of all tangible electric capital not elsewhere provided for.

OTHER INTANGIBLE ELECTRIC CAPITAL.

Charge to this account the cost of all other property coming within the definition of intangible capital and devoted to electric operations. All entries of charges to this account shall

describe the acquired property with sufficient particularity clearly to identify it, and shall show specifically the principal from whom acquired and all agents representing such principal in the transaction; also the term of life of such property, estimated if not known, and if estimated, the facts upon which the estimate is based.

TANGIBLE CAPITAL IN OTHER DEPARTMENTS.

Charge to this account the cost of all property of the corporation coming within the definition of tangible capital devoted to other than electrical operations.

The following is the form to be followed in making the required report, using sheets 8½x11 inches in size.

SCHEDULE OF THE DISTRIBUTION OF THE FIXED CAPITAL EXPENDITURES OF THE

AS OF JUNE 30, 1911.

Organization	
Royalties, Franchises and Licenses.....	
Land	
Structures.....	
Boiler Plant.....	
Prime Movers.....	
Electrical Plant.....	
Miscellaneous Generating Plant Equip- ment	
Dams, Canals and Pipe Lines.....	
Turbines and Water Wheels.....	
Gas Producers and Accessories.....	
Gas Engines.....	
Underground Conduits.....	
Poles and Fixtures.....	
Conductors—Overhead, Transmission....	
Conductors—Underground, Transmission	
Substation Equipment.....	
Battery Equipment.....	
Overhead Conductors and Devices, Dis- tribution	
Underground Conductors, Distribution...	
Services	
Meters	
Line Transformers.....	
Arc Lamps and Glower Lamps.....	
Customers' Installation.....	
Municipal Street Lighting System.....	
Furniture and Fixtures.....	
Shop Equipment.....	
Storeroom Equipment.....	
Stable Equipment.....	
Miscellaneous Equipment.....	
Miscellaneous Construction Expenses....	
Other Tangible Electric Capital.....	
Other Intangible Electric Capital.....	
Tangible Capital in Other Departments..	
 Total Fixed Capital.....	





